

House File 554 - Introduced

HOUSE FILE 554

BY HITE

A BILL FOR

1 An Act relating to inspections of sewage disposal systems prior
2 to certain transfers of real estate.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 455B.172, subsection 11, paragraph a,
 2 subparagraphs (1), (2), (3), and (12), Code 2019, are amended
 3 to read as follows:

4 (1) A transfer made pursuant to a court order, including
 5 but not limited to a transfer under [chapter 633](#) or [633A](#), the
 6 execution of a judgment, the foreclosure of a real estate
 7 mortgage pursuant to [chapter 654](#), the forfeiture of a real
 8 estate contract under [chapter 656](#), a transfer by a trustee in
 9 bankruptcy except when that transfer is by sale, a transfer
 10 by eminent domain, or a transfer resulting from a decree for
 11 specific performance.

12 (2) A transfer to a mortgagee by a mortgagor or successor
 13 in interest who is in default, a transfer by a mortgagee who
 14 has acquired real property as a result of a deed in lieu of
 15 foreclosure or has acquired real property under [chapter 654](#)
 16 or [655A](#) except when the transfer is by sale after the time of
 17 acquisition, or a transfer back to a mortgagor exercising a
 18 right of first refusal pursuant to [section 654.16A](#).

19 (3) A transfer by a fiduciary in the course of the
 20 administration of a decedent's estate, guardianship,
 21 conservatorship, or trust except when the transfer is by sale
 22 to someone who is not an heir or beneficiary.

23 (12) A deed between a family corporation, partnership,
 24 limited partnership, limited liability partnership, or limited
 25 liability company as defined in section 428A.2, subsection
 26 15, and its stockholders, partners, or members for the
 27 purpose of transferring real property ~~in an incorporation or~~
 28 ~~corporate dissolution or in the organization or dissolution~~
 29 ~~of a partnership, limited partnership, limited liability~~
 30 ~~partnership, or limited liability company under the laws~~
 31 ~~of this state, where~~ when the deed is given for no actual
 32 consideration other than for shares or for debt securities
 33 of the family corporation, partnership, limited partnership,
 34 limited liability partnership, or limited liability company.

35 EXPLANATION

1 The inclusion of this explanation does not constitute agreement with
2 the explanation's substance by the members of the general assembly.

3 This bill relates to inspections of sewage disposal systems
4 prior to the transfer of real property.

5 The bill amends the definition of "transfer" to include
6 when property is sold out of a trust; when property is sold by
7 a mortgagee, but not at the time the mortgagee acquires the
8 property; or when property is sold out of an estate, except
9 when it is sold to heirs or beneficiaries.

10 Current law exempts from the definition of "transfer" a deed
11 between a family corporation, partnership, limited partnership,
12 limited liability partnership, or limited liability company
13 and its stockholders, partners, or members for the purpose of
14 transferring real property in an incorporation or corporate
15 dissolution or in the organization or dissolution of the entity
16 when the deed is given for no actual consideration other than
17 shares or for debt securities of the entity. The bill removes
18 the requirement that the transfer occur upon incorporation or
19 corporate dissolution or the organization or dissolution of the
20 entity.